

WEATHER FORECAST.  
Generally fair to-day and to-morrow;  
not much change in temperature.  
Highest temperature yesterday, 79; lowest, 64.  
Detailed weather reports on editorial page.

# The Sun.

IT SHINES FOR ALL

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## RAILROAD WORKERS VOTE ON WIDER STRIKE; REJECT WILSON PLAN; SEEK U. S. OWNERSHIP; PRESIDENT PUSHES FIGHT ON HIGH PRICES

### TIRPITZ SAYS KAISER ORDERED U-BOAT WAR BUT HELD FLEET BACK

Admiral in Memoirs Asserts Emperor Overrode His Veto of Ruthless Subsea Campaign and Blames Von Pohl and Bethmann-Hollweg for It.

### "FATHER" OF OCEAN TERRORISM HANDLES THE LUSITANIA LIGHTLY

Attacks Wilhelm for Indecision and Unwillingness to Take Responsibilities, but War Was Lost by Incompetent Diplomacy, Weakness and Vacillation.

By KARL H. von WIEGAND.

Staff Correspondent of The Sun.

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BERLIN, via Paris, Aug. 4.—"The submarine war was lost because Germany did not hold consistently to the thought to apply every justified means available."

In these words Admiral von Tirpitz, creator of the self-sunk German fleet at Scapa Flow and Minister of Marine when the war broke out, passes judgment upon what is generally believed to have been his own particular phase of naval warfare. His long awaited memoirs are partly off the press, but for some reason the sale of the book has been held up. The book will surprise those who have regarded Admiral von Tirpitz not only the father of the sea terrorism but the inspirer and personal director of the ruthless submarine war phases.

The outstanding features of the memoirs are these:

The Kaiser personally dictated the general naval policy during the war and was responsible for the inactivity of the fleet.

Indecisiveness and unwillingness to take responsibilities are the Kaiser's characteristics.

Admiral von Tirpitz made a futile effort to get the Kaiser to permit the fleet to go out and do something.

The submarine war was decided upon by Admiral von Pohl, then chief of the Admiralty, and Chancellor von Bethmann-Hollweg without consulting von Tirpitz.

Opposed U-Boats at Beginning.

Admiral von Tirpitz offers documentary proof that he opposed beginning the U-boat warfare in February, 1915; also that he opposed the manner of proclaiming the plan. Von Tirpitz explains that he was personally ambitious to take command of the high seas fleet and go out to meet the British. He says he was not consulted before Germany entered the war, and that Germany "drifted into the war through the incompetency of her diplomacy and because of the weakness and vacillation of Dr. von Bethmann-Hollweg." The war was lost, he says, for the same reasons.

The former Minister of Marine explains that German diplomats and officials drew a wrong conclusion from the statement of former Ambassador Gerard before the Bremen Chamber of Commerce that strong opposition to a declaration of submarine warfare need not be expected from America.

While the foregoing are the salient features the transcending one is that instead of being the dominant figure in the naval war and Germany's evil genius in the war, as believed, von Tirpitz reveals himself as having played an isolated role in the Cabinet; unloved by the Kaiser and without influence upon the events of the war and powerless to do anything.

He shows that he complained to his wife that no one came near him, and in these letters he portrays his utter dejection and humiliation because the fleet which he created was not let loose by the Kaiser.

Revelations About the Kaiser.

Two things stand out in his book, his hatred of England and his hatred of Dr. von Bethmann-Hollweg. His recollections of conditions surrounding the Kaiser are more illuminating than anything yet published.

The chapter beginning with the submarine war starts with events leading up to the declaration:

"Just as the English called their war zone proclamation—which was in effect a blockade adapted to condi-

(Continued on Third Page.)

### RUMANIANS IN BUDAPEST TO GET SETBACK

Peace Council Sends Mission to Act as Check on Victorious Army.

WITHDRAWAL IS LIKELY

American Protest May Force Troops to Return Across Border.

By LAURENCE HILLS.

Staff Correspondent of The Sun.

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PARIS, Aug. 4.—Hungary is agitating the council again. At the meeting to-day it was decided to send immediately an interallied military mission to Budapest to look into the status of the new Government.

The chief function of the mission, however, will be to act as a check against the victorious Rumanians, whose presence and virtual possession of the Magyar capital have been confirmed.

The need for some such check appeared to be the outstanding factor of the Hungarian discussion. American insistence on this point was emphatic, the contention being that the presence of the Rumanians in Budapest should not only be a guarantee for order, but that their occupancy of the city should not give rise to new complications.

With the arrival of the allied mission the Rumanians probably will be obliged to withdraw to the other side of the frontier. The mission will also supervise and control the plebiscite which the new Hungarian Government was invited to proceed with in the note addressed to it yesterday by the Council.

The immediate partial relaxation of the Hungarian blockade was decided upon at to-day's meeting and it is expected that this will mean the gradual restoration of order and stabilize the present Government.

Await Hungarians' Answer.

Upon the answer which the Peace Conference is expecting momentarily from the new Hungarian Government will depend the negotiations of an actual peace treaty with Hungary which will begin at once in Paris. With the Austrian treaty rapidly nearing completion, the Council of Five is anxious to settle the future state of Hungary and is not disposed to wait before entering into negotiations if it sees any semblance of a desire for order and sincerity on the part of the new Peldi Government, the best proof of which, according to members of the Council of Five, would be immediate steps toward the disarmament and demobilization of the Hungarian army.

It is apparent from statements made in American circles, first, that the Allies have decided to accept the overthrow of Bela Kun as an indication of a genuine desire to bring about a new order of things in Hungary, and, second, to give this new movement every encouragement. At the suggestion of the Americans the Allies' note Saturday was couched in the most moderate and conciliatory language, greatest stress being laid on the desire of the conference to extend aid to Hungary and to cooperate with any Government that was disposed to observe the armistice and to establish peace.

Allied Note Friendly.

This note, which has not been made public yet, was described to-day as being of even a more friendly tenor than the note of the conference which preceded the downfall of Bela Kun and which appears now to have been responsible largely for that development. In American circles the greatest optimism prevailed to-day, in marked contrast with the comment in the leading French newspapers, which take a sceptical view of the change in the Hungarian Government, many of them describing it as camouflage. Also they attack the council for halting the Rumanians.

Two notes emanated from the Supreme Council Saturday, one addressed to the new Hungarian Government in reply to the letter sent to the conference by it and the other to the Rumanian Government requesting it to command the Rumanian army to stop where it was, thirty miles from Budapest.

There are uncertainty in American and other circles to-day as to the

(Continued on Third Page.)

### Rumanians Occupy the Capital of Hungary

By the Associated Press.

PARIS, Aug. 4.—Budapest has been occupied by Rumanian forces, according to advices received in Paris to-day from several sources. A Berlin dispatch says that Gen. Burescu, the Rumanian commander, decided on occupation for strategic reasons, but was persuaded by Lieut.-Col. Romanelli, chief of the Italian mission in Vienna, to employ only two regiments.

Joseph Haubrich, War Minister in the new Hungarian Cabinet, agreed with Gen. Burescu, according to the reports, to demobilize and disarm the Red army immediately, except for 4,000 soldiers in Budapest, and 20,000 in the rest of the country to preserve order.

The Zeitung am Mittag prints a despatch from Vienna, which says that the Entente is sending 5,000 men to Budapest at the request of the Hungarian Government.

The occupation of the city apparently was accomplished without disorder or resistance from the Hungarians.

### JAPAN TO BARE SHANTUNG PLAN

Washington Gets Promise and Tokio May Set Date for Restoration.

PRESSURE FORCED MOVE

Official Declaration Likely to Have Effect on Senate Vote on Treaty.

By the Associated Press.

WASHINGTON, Aug. 4.—Japan's intentions on the Chinese province of Shantung, where she gained control by the Versailles treaty, are to be set forth soon in a formal declaration from the Tokio Government, according to information received to-day in official circles here.

Although the exact nature of the declaration was not forecast, it was assumed it would follow the lines of the repeated statements of Japanese statesmen that the province eventually is to be returned to China. In some quarters it was believed Japan might even set a date for the restoration and acknowledge publicly the secret understanding she is said to have with China on that subject.

The reported declaration of the Japanese Government to make known its purposes is believed to be the outgrowth of informal diplomatic conversations between Washington and Tokio reflecting the American Government's desire that all the facts in the case be given to the public. President Wilson has told Senators that a complete exposure of the case would throw a new light on the Shantung provisions, which have been one of the points of attack in Senate opposition to the treaty's ratification.

Although it had been known for several days that a development was imminent, there had been much speculation in Senatorial and diplomatic circles whether the Japanese Government would speak on the subject or would remain silent and permit the disclosure of Japan's promises regarding Shantung to come from Mr. Wilson. To-night's disclosure had shifted to the question whether the Japanese declaration would be considered by the President as fully disclosing the situation and what effect it would have on the prospect of ratification of the treaty.

News of the expected development regarding Shantung reached the Capital after the Foreign Relations Committee had opened the way to other important disclosures by asking Secretary Lansing to come before it Wednesday to discuss features of the treaty. It is expected that the sessions will be public, and that some of the committee members will want the Secretary to tell much of the inside story of how the treaty, with its League of Nations covenant, was drawn up at Versailles.

### ARCHIE ROOSEVELT HAS TRENCH FEVER

Captain Stricken Suddenly While in Chicago.

By the Associated Press.

CHICAGO, Aug. 4.—Capt. Archibald Roosevelt was removed from his room in a downtown hotel to the Presbyterian Hospital to-day suffering from an attack of trench fever and the after effects of poison gas, due to hardships experienced in fighting with the American Army in France.

He arrived in Chicago yesterday from Oyster Bay, N. Y., to enter the employ of the Sinclair Refining Company in Chicago. The attending physician said his condition was not serious and that he would be able to leave the hospital in a few days.

Mrs. Roosevelt and her two children are expected in Chicago to-morrow.

### RAIL DEMANDS TUMBLE STOCKS 2 TO 18 POINTS

Market Suffers Most Severe Break of Year—Losses All Along Line.

FAVORITES ARE HIT HARD

Sales Continue All of Session as Result of Ultimatum of Brotherhoods.

The stock market suffered yesterday its most severe break of the year, with prices crumbling before the onslaught of the professional bears, whose operations were aided materially by important liquidation from large holders of stocks. Virtually the whole list was affected and losses of as much as 15 1/2 points were registered in some active issues. Declines of 10 points on the day were numerous, while a large number of securities declined from 2 to 8 points. It was a virtual rout for those on the long side of the market, and many a large block of supposedly well held stock was forced on the market during the riotous session.

The chief cause was the ultimatum of the railroad workers' unions that the roads must be taken permanently under governmental wing. From the start of trading in the New York Stock Exchange, as well as in the other stock exchanges and commodities markets, it was obvious that the condition brought about by the brotherhoods' stand was to have a bad effect on prices. And as the day progressed the selling continued with little let up. At no time could it be said that the market had any important rally, or scarcely even a check in the drop.

Wall Street Starts Gloomily.

Wall Street started at work yesterday morning feeling grim and sour after reading its morning paper. Scarcely any one could be found who did not look for a sharp decline in securities.

The fact that Wall Street was not surprised perhaps accounted for some at least of the selling. Many owners of "long" stock who had good profits to their credit hastened to sell at the earliest possible moment. Added to this liquidation was constant pressure by the professional bears.

Other breaks had occurred since the new year was hailed, but none was so marked or so consistent as yesterday's. Almost 2,000,000 shares changed hands in the five hour session in the New York Stock Exchange.

The money rate ranged between 5 and 7 per cent. all day, touching its low figure late in the afternoon when the stock prices were at their lowest.

Call funds were relatively plentiful, with the rate remarkably low, compared with some of the 15 and 20 per cent. money of the last few weeks.

The stocks which suffered most were those which had been bid up the highest in recent weeks.

Drop of More Than 15 Points.

Stromberg Carburetor recorded the greatest decline of all—more than 15 points. Stromberg experienced a sensational climb a couple of weeks ago, shooting from a little above 50 to 104 in a short time. It then declined rapidly to 25, and yesterday's crash held it fairly firm until yesterday's crash. By reason of its topheavy market position it was wide open to bear attack, and with a final sale around 73 it had been driven down some 18 points.

Other securities which have been leaders among the speculative favorites in recent weeks got a sharp drive downward. They included the steel shares, some shipping shares, some specialties, oil, motors, etc.

United States Steel common, leader of the market for years, suffered a 5 point ride down the scale, closing below 105 and within 3/4 of its lowest price of the session. American Woolen, a specialty marked by excessive speculation in the last couple of months, declined more than 11 points to 116, against a close of 121 1/2 on Friday. American Bock Magneto fell some 8 points, Atlantic Gulf & West Indies more than 11, Corn Products 7, Endicott Johnson more than 9 1/2, General Electric 7 1/2, Mexican Petroleum almost 11, Pen American Petroleum 8, Stuts Motor 9 1/2, United Fruit 8, and so on through the whole list.

Of the 217 stocks traded in yesterday's only eight showed a gain. Each of the eight was a preferred stock. All the others closed at a loss.

The eight stocks which closed at a gain were:

Cruicell Steel Company preferred, Liggett & Myers Tobacco preferred, Lake Erie Western preferred, Mexican Petroleum preferred, New York Chicago and St. Louis second preferred, New York Dock second preferred, United Drug Company first preferred and Virginia-Carolina Chemical preferred.

The financial rout was not confined to the stock market, however. Cotton suffered along with the other commodities, at one time being 200 points below Saturday's closing prices. Grain, too, received its share of the general demoralization, while the securities traded in on the Curb slid down the line with those on the "big board."

### FEDERAL PLAN LAID TO CURB PROFITEERING

Hines and Associates Ready to Act as Export Food Embargo Is Urged.

"SUN" EDITORIAL LAUDED

Government Profit on Grain Bared—Congress Backs Price Investigations.

Special Despatch to The Sun.

WASHINGTON, Aug. 4.—All Government forces engaged in the fight against the high cost of living moved rapidly to-day, but as yet without concrete results so far as the public is informed. Conference followed conference in quick succession, officials from the President down participating.

The tentative programme for Government action was finally put in shape at a late meeting in the office of Director-General of Railroad Hines of the Cabinet conference sub-committee designated to draft a programme. The recommendations made will not be made public until to-morrow.

Many new possibilities of price control have been opened by the search of existing law and the powers of Government agencies. It is proposed to utilize them to the fullest extent.

Attorney-General Palmer today asked W. P. G. Harding, of the Federal Reserve Board, to sit as a member of the Cabinet council which is to have a conference to-morrow. Julius H. Barnes, head of the Government grain corporation, also is to attend the conference to be held in Attorney-General Palmer's office.

Two Investigations Approved.

The House Interstate Commerce Committee favorably reported a resolution to-day to have the Federal Trade Commission investigate sugar. Representative Madden (Ill.) urged before the House the declaration of a food embargo to prevent depletion of American stores through export. He said that this would operate to bring down American prices.

The high cost of living was also a topic of much debate in the Senate, many Senators suggesting measures for solution.

President Wilson devoted considerable time to-day to studying the problem. After his conference with representatives of the railway shippers he went to the Federal Trade Commission office for conferences with Commissioners Colver and Murdock. With them he went into the maze of data compiled by this commission as to the cost of production of foodstuffs and other commodities, together with material that indicated profiteering.

It became known to-day that the Federal Trade Commission is preparing and will soon make public reports on future trading in grains and on costs of production of hides and leather, boots and shoes. Many other studies are fast being completed.

In this connection it was learned certain officials are in favor of restrictions on gambling in futures.

The commission members would make no statement regarding the conference with the President. It is known, however, that the Chief Executive was interested in production costs of foods and other articles that enter into the high cost of living and a comparison of selling prices to these costs. The commission has almost endless data on the subject, and it is understood the President sought particular information on figures that he may want for an address to Congress on the matter.

Chicago Prosecutor Called.

It became known to-day that District Attorney Glynn of Chicago, who has participated in many cost of living inquiries in that city, as well as in packing house investigations, has been summoned to the conference in Mr. Palmer's office to-morrow.

The Hines-Colver-Lefingwell sub-committee will report its recommendations to this conference to-morrow morning. Whether they will be made public after the conference or will be held until after the Cabinet meeting has not been determined. That they will cover a wheat subsidy, stamping of sale prices and a number of financial recommendations is regarded as exceedingly likely.

Gov. Harding of the Federal Reserve

Continued on Fifth Page.

### \$66,000,000 Army Food Ready for Sale at Once

WASHINGTON, Aug. 4.—More than half of the \$132,137,700 worth of surplus food stocks held by the War Department, July 19, is immediately available for sale, according to a statement issued to-day by the Department.

In addition to the canned goods and bacon previously announced as ready for sale, the list includes \$18,500,000 worth of frozen beef, \$2,073,000 worth of fresh beef, \$1,136,000 in frozen fresh poultry and \$1,478,000 in granulated sugar, which since has been sold to the Sugar Equalization Board.

### LENROOT RAIL IDEA OUTLINED

Bill Authorizes Creation of Corporation to Take Over All Lines.

GUARANTEED 3.5 STOCK

President to Name 6 of 11 Directors, Stockholders 3 and Employees 2.

Special Despatch to The Sun.

WASHINGTON, Aug. 4.—Senator Lenroot (Wis.) is preparing a measure designed to meet the present railroad situation. An outline of the bill, which will be introduced in a few days, was obtained to-day. The outline follows:

A corporation to be created with an authorized capital sufficient to acquire all of the railways of the country, a temporary organization to consist of the Interstate Commerce Commission, acting as a temporary body of directors, pending permanent organization.

A corporation is to be authorized to acquire railway properties upon the basis of compensation to be fixed in the law, the capital stock of the corporation to be sold to the public at not less than par or issued to the owners of the railroads in exchange for their properties. All stock issued to have a guaranteed return by the United States of 3 1/2 per cent. per annum.

The permanent organization is to be effected by the creation of a board of directors consisting of eleven members, six of whom shall be appointed by the President and controlled by the Senate, three of the directors to be selected by the stockholders of the corporation and two by the employees.

The board of directors shall be given full and complete authority to operate the railroads, to have the same authority over rates, service and discriminations that now exist under private ownership.

State railway commissions shall be preserved with provisions for their continuation by the Interstate Commerce Commission.

Provision shall be made that the net income of the corporation in excess of 6 per cent. per annum upon the capital stock shall be divided between the stockholders, the Government and the employees in the following ratio:

The Government shall receive 40 per cent.

The stockholders 30 per cent.

The employees 30 per cent.

All revenues that the Government thus receives shall be utilized, first, in reimbursement to the Government for any deficiency that it may be called upon to pay in fulfillment of its guarantee, the balance to be loaned to the corporation by the Government without interest for the purpose of paying for extensions and betterments, but no such moneys thus utilized by the corporation shall be regarded as additional capital by the corporation upon which rates are to be determined.

Provision to be made that the existing Federal control shall cease six months after the approval of the act. That from all roads thus in private ownership other than the Federal corporation there shall be paid to the Government 75 per cent. of the net earnings in excess of 6 per cent. upon their capitalization as it existed at the time that the Government took over the roads in December, 1917.

### WILL FLY ZEPS TO U. S. OR BURN THEM

Germans Threaten to Destroy Craft Before Surrender.

By the Associated Press.

CHICAGO, Aug. 3 (Delayed).—Germans in charge of twenty-four Zeppelins near Berlin have threatened to burn them rather than deliver them to the Allies as required by the peace treaty, according to information obtained by the American Army authorities here. The Zeppelins are of twenty-five tons capacity and can fly from Berlin to San Francisco, according to German sources. Several were built to carry forty persons.

The Germans are said to be seeking permission to fly the Zeppelins to the United States, hoping to find buyers for the airships there.

If this permission is not given, according to army information here, or some other satisfactory solution offered the Germans will destroy the airships rather than allow the French and British to take possession of them.

Higher Wages or Reduction in Living Costs, Say Rail Men to President.

THREATEN A BIG TIEUP

Speedy Action by Congress or Plumb Plan of Operation Sought.

GET HEARING TO-MORROW

Other Labor Leaders Act With Brotherhoods in Drive for Government Ownership.

Special Despatch to The Sun.

WASHINGTON, Aug. 4.—Railroad strikes all over the country were called off to-day by the union leaders, but only pending the taking of strike votes throughout the various organizations. With all railroad employees united for the first time in history, their drive for Government ownership is now in full swing and the halt in the strike means only temporary relief.

Developments in the railroad situation came thick and fast to-day, with these features outstanding:

Though the strikes are called off union leaders repeated to the President and to Director-General Hines that they would have great difficulty in keeping their men from striking even pending the strike votes.

Union leaders conferred with President Wilson and Director-General Hines, demanding of the latter that he act on their demands and not pass the buck to Congress.

Leaders of the employees' organizations denied any attempted coercion in their campaign, despite the plain threat put out by them two days ago, and their repetition since then.

Wilson's Wage Board Discarded.

Opposition was expressed by the House Interstate Commerce Committee to the wage board sought by the President on the ground that it would enslave the powers of the Interstate Commerce Commission, and a bill was reported giving the commission its pre-war rate powers.

Evidence that the railroad clerks are thoroughly in sympathy with the other workers and will take action with them to enforce their joint demands.

Railway clerks, freight handlers, express and station employees, with 450,000 members, and many other bodies of railway employees which were not organized two years ago have lined up behind the demands of the Brotherhood and the American Federation of Labor for the so-called democratization of industry, beginning with the railroads.

Leaders of virtually all the railroads are prepared to oppose the recommendations of the President and Director-General Hines for solution by Congress.

In face of the formal statement that there was no effort at coercion B. M. Jewell, head of the railway department of the American Federation of Labor, made the statement that the country would be tied up tight in September unless labor's demands were met. He said that the shippers were voting on the issue, and there was little doubt in the minds of union officials that the shippers would have to receive a \$165,000,000 increase or strike.

Narrow Choice Is Given.

In the view of Mr. Jewell only one of two alternatives will prevent a paralyzing strike—first, speedy action by Congress in furnishing cash to meet these wage demands or speedy adoption of the so-called Plumb plan. A similar scheme for the operation and control of the railroads.

Labor leaders in Washington express the view that the Plumb plan should be carried to other basic industries, such as the steel industries.

Director-General Hines summoned the representatives of all the fourteen railroad organizations in Washington to a conference. He told them the Railroad Administration was powerless to grant the relief they asked without Congress action. He indicated to them that Congress was expected to place the rate making power back in the hands of the Interstate Commerce Commission and that the Railroad Administration was without the necessary funds. He told them that everything possible was being done to grant relief and outlined some of the steps inaugurated by him to bring down the cost of living, as was outlined by the brotherhoods.

The labor representatives, however, did not recede from their announced